

Regulations for Brokers, Originators Protect Future Borrowers

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WASHINGTON -- Today, the House considers the Mortgage Reform and Anti-Predatory Act of 2007, including measures advocated by Hon. Luis Gutierrez (D-III.) to target predatory lending practices.

Gutierrez' provisions represent a critical response to ensure that minimum licensing standards apply to mortgage originators and brokers. Specifically, the measures would:

- Mandate pre-licensing education and training requirements.
- Require brokers to fulfill continuing education requirements.
- Require brokers to undergo criminal background checks and fingerprinting. TT This would enable any fraudulent practices to be tracked from state to state and establish a national mortgage originator licensing and registration system.

To date, several states are still do not require mortgage brokers to be licensed, and some employ lax licensing requirements without enforcement mechanisms. Under this system, unethical brokers are able to move from state-to-state, making questionable loans without oversight or accountability.

"It is our responsibility to ensure that the mortgage industry is responsible to the people it serves. The unethical practices of some have dramatically impacted thousands of American families who now face foreclosure. However, by increasing our standards and expectations of brokers and originators, we can help prevent such a crisis from occurring again in the future."

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